

MONTEREY COUNTY

2015 Budget and Legislative Report: Highlights and Emerging Issues

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Introduction and Highlights:

The beginning of the 2015-16 legislative session convened on January 5th with two new Senate and Assembly leaders and the Governor declaring three new policy drives: climate change, transportation infrastructure and mitigating the state's growing healthcare and developmental services costs.

Unlike last year, where water issues dominated the legislative arena, this year was a varietal mix of issues including but not limited to vaccines, drones, transportation funding, marijuana regulation, and physician-assisted suicide.

Furthermore, the Governor issued two executive orders calling for extraordinary sessions to resolve long-term funding issues for the state's crippled transportation infrastructure and stabilizing Medi-Cal/developmental services growth.

This year also brought new leadership for both houses. In a surprising end-of-session move the Assembly elected a new Speaker, only one-year after electing Assemblywoman Toni Atkins to the post. Assemblyman Anthony Rendon is expected to formally take the reins when the Legislature convenes in January. On the other side of the isle, the Senate Republicans elected a new leader in Senator Jean Fuller, and on the Assembly side, Assemblymember Devon Mathis – both leaders from the Central Valley. However, it is Rendon's ascension to the leadership post that will most likely trigger a wave of newly-appointed chairs, as well as a new direction in policy focus come this January.

The following are highlights summarized from this year's session:

2015 Legislative Highlights:

WATER/DROUGHT

In a late-March move mirroring last year, Governor Edmund G. Brown Jr. signed emergency legislation - AB 91 and AB 92 - that fast-tracks more than \$1 billion in funding for drought relief and critical water infrastructure projects.

\$272-million would come from the Proposition 1 water bond passed last November. \$660-million would come from Proposition 1E, passed in 2006, which is for disaster preparedness and flood protection. \$72-million would come from the General Fund, and \$57-million from various other sources.

The legislation would fund emergency drinking water supply for some communities, food assistance for 29 counties most impacted, drought response coordination, water recycling and desalination projects, and protection for fish and wildlife.

Furthermore, for the first time in state history, the Governor has directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25 percent. This savings amounts to approximately 1.5 million acre-feet of water over the next nine months.

Californians heeded the Governor’s warnings, and as recently as July is above the 25% reduction, with 72% of the urban water suppliers meeting their targets. With steady reports of the State’s impending “El Nino” winter coming, forecasters warn that this event will not be enough to bring the State out of the drought, thus expect water to be on the forefront of policy and budgetary issues for years to come.

ENVIRONMENT-

Climate Change

SB350 (DeLeon) the landmark climate change bill sought by the Governor Brown, passed the Assembly on a 51-26 vote, two days after the Governor and Senate President Pro Tem removed a key provision that would have required California to cut oil use in half by 2030.

The bill gives California some of the most far-reaching renewable-energy rules in the country. The legislation stipulates that investor-owned utilities (IOUs) will provide 50 percent of their electricity from solar; wind, geothermal and other renewable sources by 2030 -- up from the 33 percent by 2020 required under current law.

HEALTH –

Death with Dignity

ABx2 15 (Eggman) -- similar to laws in Oregon, Washington, Montana and Vermont – this bill would allow doctors to prescribe lethal doses of drugs to mentally competent, terminally ill patients. Disability rights advocates and oncologists opposed the legislation, saying it takes advantage of the poor and vulnerable.

Since its introduction, this “issue” has been hotly debated and tested many marginal legislators. Its original version was stalled by Latino Democrats in the Assembly Health Committee, however, was reintroduced in the extraordinary session pertaining to healthcare. In a narrow vote, the bill went to the Governor’s Desk, and in a surprising move given the Governor’s background, he signed the bill with a poignant signing statement affirming his struggle with the issue personally, but would not deny the benefit to others. A movement has already begun to overturn the law through the referendum process.

Vaccines –

SB 277 (Pan) - After a “whooping cough” outbreak in Southern California earlier this year, Senator Pan introduced a bill that would eliminate religious and personal belief exemptions from the requirement that children receive vaccines for certain infectious diseases prior to being admitted to any public school or day care program. Despite the controversy and daily public protest at the Capitol, the Legislature passed the bill, where it was signed a day later by a Governor who had previously stated that vaccines were “profoundly important”. Opponents of the new law began a drive to not only overturn the law with an initiative but to also recall Senator Pan – they failed on both fronts.

LOCAL GOVERNMENT –

Redevelopment Agency Dissolution

SB 107 (Committee on Budget and Fiscal Review) was the Legislature's answer to the flawed previous trailer bill AB 113. In a last minute deal between the Speaker and the Department of Finance, SB 107 got traction in the last 2 days of Session.

According to the Senate Floor analysis, SB 107 represents a reasonable attempt to implement a final resolution for the dissolution of RDAs, as well as resolve several long standing issues related to state-local fiscal relations. This bill allows for a number of broad-based benefits for local governments including the use of bond proceeds, allowance of certain re-entered agreements, use of proceeds of bonds issued for low- and moderate-income housing, as well as other benefits related to specific communities. This bill also addresses the definition of loan agreements and, in aggregate, is likely to reduce the amount of uncertainty and litigation moving forward.

During the Floor debate, staunch proponent and Senate Budget Chair, Senator Leno promised to draft a letter to the journal to clarify three issues: 1. No denial of a loan that was previously made...he mentioned Glendale and Watsonville specifically. 2. Also the \$5 million cap is per loan not cumulative. 3. And administrative costs for non-profit will be addressed. That said letter was submitted to the Secretary of the Senate hours later.

Community Revitalization

AB 2 (Alejo) – This bill proves that perseverance pays off. In Assemblymember Alejo's third attempt get a signature, he proved successful with AB 2. This bill authorizes local governments to create Community Revitalization and Investment Authorities (authorities) to use tax increment revenue to improve the infrastructure, assist businesses, and support affordable housing in disadvantaged communities. For local governments, this provides a tool for economic development in the wake of RDA dissolution.

PUBLIC SAFETY –

Marijuana Regulation

With a strong chance that California will legalize recreational use of marijuana in 2016, the Legislature and the Administration used this year to overhaul the state's existing medical marijuana provisions, in order to establish a regulatory framework with the hope of encapsulating a new recreational market. In a last minute compromise with the Administration and stakeholders, the following bills were passed and subsequently signed:

- AB 266 (Bonta) - Establishes a Bureau of Medical Marijuana Regulation to oversee licensing and operating rules for pot growers, marijuana product producers and retail shops.
- AB 243 (Wood) - Authorizes the state to use licensing fees to carry out the framework and a fund for helping local governments address environmental problems associated with marijuana cultivation.

- SB 643 (Mike McGuire) - Would crack down on clinics that specialize in issuing medical marijuana recommendations to residents without valid health needs and create pesticide standards for pot plants and labeling requirements for edible marijuana products.

Additionally, these bills will not have an immediate impact on the existing medical marijuana landscape because the licensing provisions would not take effect until 2018.

Pot dispensaries already licensed by local governments would eventually have to comply with the product tracking, advertising, criminal background check and job training provisions required for a state license, but they could continue to operate and buy marijuana from unlicensed farmers until then.

The bill authors said the package would charge the new medical marijuana bureau with overseeing every aspect of the industry, from pot farms and medical clinics to product safety labs and retail distribution.

2015 Budget Highlights:

With days to spare before the July 1st deadline, Governor Brown signed a \$115.4 billion budget that uses California's growing surplus to fund new initiatives aimed at providing relief to the poor.

The budget establishes an earned income tax credit for working-poor families, boost the number of state-subsidized child care slots and expand state-funded health care coverage to children from low-income families who are in the country illegally.

The state also will adopt an amnesty program for residents who can't afford to pay off spiraling court fines and traffic penalties that have resulted in 4.8 million driver's license suspensions since 2006.

Lawmakers passed this “compromise” budget to meet Brown's demands for fiscal restraint by agreeing to use a lower projection for state revenues. Legislative leaders also got to fund their priority social programs to help those who have missed out on the state's economic recovery.

Budget Agreement

Highlights of the budget agreement include:

More Money for Schools: The agreement makes significant investments in schools - \$14.3 billion for the K-12 system and community colleges, including \$6 billion to continue to implement the Local Control Funding Formula which targets increased resources to students who face the greatest challenges.

Counteracting the Effects of Poverty: The agreement implements the first-ever California Earned Income Tax Credit (\$380 million) to help the state's poorest working families.

Paying Down Debt: The agreement pays down billions in debts, including completely paying off school deferrals (\$1 billion) and debts owed to local governments since 2004 (\$765 million). The

agreement also completely retires \$15 billion in Economic Recovery Bonds used to cover budget deficits as far back as 2002, as well as \$3.8 billion in mandate debt owed to K-14 schools.

Saving for a Rainy Day: The agreement saves \$1.9 billion in the state's Rainy Day Fund as required by Proposition 2, bringing the balance to \$3.5 billion.

The budget agreement maintains the fiscal framework of the May Revision, including the General Fund revenue forecast, overall spending levels, a \$1.1 billion operating reserve, Proposition 2 debt payments and Rainy Day Fund deposits. By redirecting spending and using identified savings, including a reform of the Middle Class Scholarship program and correcting an error in the estimate for Medi-Cal, the budget agreement can afford additional spending, including:

- * \$40 million to expand Medi-Cal to cover all low-income undocumented children effective May 1, 2016 (\$132 million when fully implemented).
- * \$265 million to fund 7,000 additional preschool slots and 6,800 child care slots, plus a rate increase for all providers.
- * \$97 million over the January budget for the California State University to expand enrollment and focus on increased success.
- * \$226 million on a one-time basis to restore the 7 percent reduction in service hours for In-Home Supportive Services.
- * \$500 million (Proposition 98) for one-time teacher effectiveness block grant.

Republicans had a mixed reaction. While they liked using Brown's lower overall budget figure and setting aside more money for the rainy day fund, GOP members worry the state is still carrying too much debt, particularly for public employee pensions and their retirement health benefits.

The Governor and legislative leaders also were unable to reach agreement on how to spend a growing pot of money collected from the state's landmark effort to curb greenhouse gas emissions. Cap-and-trade funding was taken out of the budget to give them more time to negotiate a way to spend that money. A compromise is expected sometime in January.

Special Session

Hours after the Legislature reached an agreement on the budget the Governor called for two special sessions. These special sessions will seek to address how California pays for roads, highways and other infrastructure, as well as financial fixes to the Medi-Cal program.

Fixing California Roads, Highways and Other Infrastructure

Caltrans, the state's Transportation Department, maintains 50,000 lane-miles of highway and nearly 13,000 state-owned bridges. While the repair, maintenance and efficient operation of the state's highway system are vital to the state's continued economic growth, current funding fails to adequately fund this necessary work. The state's current fuel excise tax is sufficient to fund only \$2.3 billion of work-leaving \$5.7 billion in unfunded repairs each year.

The Governor proposes that the Legislature enact permanent and sustainable funding to maintain and repair the state's transportation and critical infrastructure, improve the state's key trade corridors and complement local infrastructure efforts.

Shoring Up Health Care Financing

The Governor also called a special session to address the financing of the state's core health program - Medi-Cal. The state's recent expansion of health care coverage under the Affordable Care Act has resulted in more than four million additional Californians receiving coverage through Medi-Cal.

In the special session, the Governor proposes that the Legislature enact permanent and sustainable funding to provide at least \$1.1 billion annually to stabilize the state's General Fund costs for Medi-Cal, sufficient funding to continue the restoration of the 7 percent of In-Home Supportive Services hours and funding for additional rate increases for providers of Medi-Cal and developmental disability services. The funding could come from the proposed MCO tax and/or alternative sources and is necessary to prevent over \$1 billion in program cuts next year.

Subsequently, the Legislature created four policy and fiscal committees to look at pending legislation in these special sessions. Roughly two dozen bills have been introduced in both sessions, however, the Legislature failed to pass any significant proposals before the regular session adjourned.

So far, Democratic proposals to add a \$65 vehicle registration fee and raise the cigarette tax by \$2 per pack have been panned by Republicans, whose support they need to pass on a two-thirds vote.

The Speaker conceded that lawmakers had given up finding a solution prior to the end of the regular session to resolve long-term funding issues for fixing and maintaining California's roads and highways. Instead, Atkins said the Legislature will form a special committee this fall to figure out how to pay for an estimated \$59 billion backlog in state repairs over the next decade. In mid-September, both the Senate and Assembly released the ten members that will comprise the conference committee – with Senator Cannella being one of them. This Conference Committee met in mid-October in Sacramento for a joint informational hearing and will be travelling to various parts of the state to do the same. It is the hopes of the Legislature and the Administration to use this recess to draft an equitable proposal to bring forward to the Legislature either during recess or when they convene in early-January.

A coalition, comprised of local government, business and labor groups, proposed last month raising at least \$6 billion a year by increasing gasoline and vehicle taxes, tapping revenue from the state's cap-and-trade fund and adopting state efficiencies and reforms.

In mid-August, the Brown Administration offered a scaled-down \$3.6 billion-a-year spending plan, with some of the money to come from a \$65 annual fee on vehicle registrations and increases in diesel and gas taxes tied to inflation. His plan included concessions sought by Republicans such as streamlining environmental reviews for infrastructure repairs and extending public-private partnerships.

While that plan didn't receive adequate support, the Governor stated that there is still time, and that our roads will get fixed, it is just a “matter of when.”

Lawmakers also are continuing to negotiate funding for Medi-Cal, the state's medical insurance program for the poor that has grown to cover roughly one in three Californians. The Governor has also asked lawmakers to expand a tax now levied on health plans that contract with Medi-Cal to include most insurers regulated by the Department of Managed Health Care to generate at least \$1.1 billion a year.

Monterey County 2015 Legislative Package:

Throughout this legislative session, JEA & Associates identified, tracked and monitored over 500 bills, and after much analysis and discussion, narrowed the County's position to thirty-three bills and three budget items, where we actively advocated on. Of those thirty-three, eleven were signed into law, seven were vetoed and the remainders are two-year bills.

Government Operations & Fiscal Stability

AB 43 (Stone) - Would, for taxable years beginning on or after January 1, 2016, in modified conformity with federal income tax laws, allow an earned income credit to an eligible individual that is equal to specified percentages of the earned income tax credit allowed by federal law. The bill would provide that in those years in which an appropriation is made by the Legislature, the credit would be refundable. **Support** (TWO-YEAR)

AB 45 (Mullin) - Would require each jurisdiction that provides for the residential collection and disposal of solid waste to increase the collection and diversion of household hazardous waste in its service area, on or before July 1, 2020, by 15% over a baseline amount, to be determined in accordance with Department of Resources Recycling and Recovery regulations. **Oppose** (TWO-YEAR)

AB 203 (Obernalte) - Extends the deadline to file a petition for redetermination of the state responsibility area fire prevention fee from 30 days to 60 days. **Support** (TWO-YEAR)

AB 394 (Stone) - Would require any wine bottled on or after January 1, 2019, labeled with an American Viticultural Area established pursuant to federal law that is located entirely within the County of Monterey to bear the designation "Monterey County" on the label in specified type size as determined by the size of the wine container. **Support** (CHAPTERED)

AB 514 (Williams) - Would eliminate specified fine amounts for violations of local building and safety code ordinances determined to be an infraction and instead authorize the fine amounts for violations of specified county ordinances, including local building and safety ordinances, determined to be an infraction to be established by an ordinance that is subject to specified maximum amount requirements for the first, 2nd, and 3rd violations of the same ordinance. **Support** (VETOED)

AB 1315 (Alejo) - Would prohibit a public entity, charter city, or charter county from delegating to a contractor the development of a plan, as defined, used to prevent or reduce water pollution or runoff on a public works contract, except as provided. **Concerns** (TWO-YEAR)

AB 1347 (Chui) - Would establish, for contracts entered into on or after January 1, 2016, a claim resolution process applicable to all public entity contracts. The bill would define a claim as a separate demand by the contractor for one or more of: a time extension for relief from damages or penalties for delay, payment of money or damages arising from work done pursuant to the contract for a public work, or payment of an amount disputed by the local agency. **Support** (VETOED)

AB 1390 (Alejo) - Would establish special procedures for an adjudication action, which is defined as an action filed in superior court to determine the rights to extract groundwater within a basin or store water from a basin, as specified. The bill would authorize the court to determine all rights to groundwater in a basin whether based on appropriation, overlying right, or other basis of right. The bill would require these special procedures to govern all adjudication actions except in specified cases not involving allocation of a basin's groundwater supply. **Resolved Concerns** (CHAPTERED)

AB 1504 (Alejo) - This bill would extend a current pilot program until January 1, 2018, and would also authorize Monterey and Sacramento Counties to conduct all-mailed ballot elections. **Support** (CHAPTERED)

Preserve the Safety Net

AB 690 (Wood) - Adds marriage and family therapist (MFT) to the list of health care providers that qualify for a face-to-face encounter with a patient at a Federally Qualified Health Center (FQHC) or Rural Health Center (RHC) for purposes of a per visit Medi-Cal payment under the prospective payment system (PPS). **Support** (TWO-YEAR)

AB 858 (Wood) - Would add marriage and family therapists (MFTs) to the list of health care providers that qualify for face-to-face encounter payments from the Medi-Cal program to federally qualified health centers and rural health clinics. **Support** (TWO-YEAR)

ACR 77 (Stone) - This bill reaffirms existing law, specifically, that every California child deserves periodic pediatric screenings and timely access to high-quality early intervention supports and services as needed. **Support** (CHAPTERED)

SB 407 (Morrell) - Would authorize a health care provider to employ or contract licensed midwives for the purpose of providing comprehensive perinatal services. The bill would expand the definition of "comprehensive perinatal provide" as used in these provisions to include a licensed midwife. The bill would declare that its provisions shall not be construed to revise or expand the scope of practice, as defined, of licensed midwives. **Support** (CHAPTERED)

SB 408 (Morrell) - Would authorize a midwife assistant to perform certain assistive activities under the supervision of a licensed midwife, including the administration of medicine, the withdrawing of blood, and midwife technical support services. The bill would define terms for these purposes. The bill would prohibit a midwife assistant from being employed for inpatient care in a licensed general acute care hospital. **Support** (CHAPTERED)

Preserve and Advance Social Services

AB 35 (Chui) - Would, for calendar years beginning 2016, increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria. This bill contains other related provisions. **Support** (VETOED)

AB 47 (McCarty) - Would require, on or before January 1, 2017, all eligible children to have access to the state preschool program the year before they enter kindergarten, if their parents wish to enroll them. **Support** (VETOED)

AB 50 (Mullin) - Requires the Department of Health Care Services to develop a plan on or before January 1, 2017, to ensure that evidence-based home visiting programs, as defined, are offered and provided to Medi-Cal eligible pregnant and parenting women. **Support** (VETOED)

AB 90 (Chau) - This bill would require the department to administer the funds through programs that produce, preserve, rehabilitate, or support the operation of rental housing for extremely low income and very low income households, except that up to 10% of funding may be used to support homeownership for extremely low income and very low income households. **Support** (CHAPTERED)

AB 171 (Irwin) - Appropriates \$5.6 million annually to the California Department of Veterans Affairs (CalVet) for allocation to counties to fund county veterans service officers (CVSOs). **Support** (TWO-YEAR)

AB 908 (Gomez) - Would require the family temporary disability insurance program to provide up to 10 weeks of wage replacement benefits. This bill would, for purposes of this program, require the weekly benefit amount to be calculated with a specified formula. However, the amount would be prohibited from being less than \$250 and more than the maximum workers' compensation temporary disability indemnity weekly benefit amount. **Support** (TWO-YEAR)

SB 23 (Mitchell) - This bill would repeal the state's Maximum Family Grant rule, which prohibits aid to a child born into a family receiving CalWORKs benefits if the child was conceived after the family began receiving aid. It would prohibit the denial of aid for that child, and would expressly prohibit the state from requiring an applicant or recipient to disclose whether they were a victim of incest or rape, their method of contraception or whether a family used contraception. **Support** (TWO-YEAR)

SB 203 (Monning) - Establishes the Sugar-Sweetened Beverages Safety Warning Act, to be administered by the Department of Public Health, and requires a safety warning on all sealed sugar-sweetened beverage containers, as specified. Requires the warning label to be posted in a place that is easily visible at the point-of-purchase of an establishment where a beverage container is not filled by the consumer. **Support** (TWO-YEAR)

SB 358 (Jackson) - This bill would revise that prohibition to eliminate the requirement that the wage differential be within the same establishment, and instead would prohibit an employer from paying any of its employees at wage rates less than those paid to employees of the opposite sex for substantially similar work, when viewed as a composite of skill, effort, and responsibility. **Support** (CHAPTERED)

SB 548 (DeLeon) - Would authorize family child care providers, as defined, to form, join, and participate in the activities of provider organizations, as defined, and to seek the certification of a provider organization to act as the exclusive representative for family child care providers on matters related to state-funded child care programs pursuant to a petition and election process overseen by the Public Employment Relations Board or a neutral 3rd party designated by the board. **Support** (VETOED)

Transportation, Infrastructure & the Environment

AB 48 (Stone) - The bill would prohibit a person or entity from selling, giving, or in any way furnishing to another person of any age in this state a cigarette utilizing a single-use filter made of any material, including cellulose acetate, or other fibrous plastic material, and any organic or biodegradable material. **Support** (TWO-YEAR)

AB 57 (Quirk) - This bill requires a collocation or siting application for a wireless telecommunications facility to be deemed approved by the local land use agency, if specified conditions are met, and applies these provisions to all counties and cities. **Oppose** (CHAPTERED)

AB 238 (Stone) - Current law requires the Public Utilities Commission to develop, implement, and administer the CASF to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and substantial social benefits of advanced information and communications technologies, as provided in specified decisions of the commission and in the CASF statute. This bill would define "broadband" for purposes of these provisions as advanced telecommunication services with specified advertised speeds. **Support** (TWO-YEAR)

SB 16 (Beall) - Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would provide for the program to be authorized every 5 years by the Legislature, and would provide that authorization for the 2015-16 through 2019-20 fiscal years. The bill would require the California Transportation Commission to identify the estimated funds to be available for the program and adopt performance criteria to ensure efficient use of the funds. **Support** (Amended into Special Session – SBx1 1)

SB 317 (DeLeon) - This bill would enact the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, which, if adopted by the voters at the November 8, 2016, statewide general election, would authorize the issuance of bonds in the total amount of \$2,450,000,000 pursuant to the State General Obligation Bond Law to finance a safe neighborhood parks, rivers, and coastal protection program. **Support** (TWO-YEAR)

SB 321 (Beall) - This bill will make a much-needed technical fix to the complex process for setting the gasoline excise tax rate under the gas tax swap, while maintaining revenue neutrality with the former sales tax on gasoline. **Support** (TWO-YEAR)

SB 705 (Hill) - Would authorize Monterey and San Mateo Counties to impose a countywide sales tax for transportation purposes that would, in combination with all other locally imposed sales tax, exceed the 2% tax rate cap. **Support** (CHAPTERED)

Public Safety

AB 193 (Maienschein) - Would authorize the court, after a hearing attended by the proposed conservatee or the proposed conservatee's counsel, or both, to recommend a conservatorship to the officer providing conservatorship investigation if the court, in consultation with a physician providing comprehensive evaluation or intensive treatment, in a conservatorship proceeding determines, based on the evidence presented to the court, including medical evidence, that a person for whom a conservatorship has been established may be gravely disabled as a result of a mental disorder or impairment by chronic alcoholism and is unwilling to accept, or is incapable of accepting, treatment voluntarily. **Oppose** (VETOED)

AB 1056 (Atkins) - Would require the Board of State and Community Corrections to administer a competitive grant program that focuses on community-based solutions for reducing recidivism. The bill would establish minimum criteria for the grant program and would require the board to establish an Executive Steering Committee, composed of 13 members, as specified, to adopt guidelines for the submission of proposals for the grant program, including threshold or scoring criteria, or both. **Support** (CHAPTERED)

Emerging Issues for 2016:

With the first year of the 2015-16 legislative session closed out, many vital issues remain unresolved and/or emerging for the next year. The following is our assessment of issues that Monterey County should consider for the next session:

Climate Change Reform – Despite the Governor signing SB 350, the “teeth” of the bill had been amended out in order to get the votes. After much protest from moderate democrats and business groups, the requirement to cut gasoline use in half was removed at the last moment. This was a major reform that the Governor wanted...look for him to try and maneuver another shot at this.

Transportation and Healthcare Special Sessions – With no real solution at the end of session, the Legislature will be stepping up over recess and the beginning of session to find a compromise for major funding reforms to the state budget's top expenditures. Also, the Governor will continue to prioritize these issues in his budget proposal in January.

Initiatives – The 2016 General Election is not only significant because of deciding a new President, but it is another election with voters deciding major policy in California. Some of the pending initiatives are marijuana legalization, overturning a ban on plastic bags, tobacco tax, and several park bonds, just to mention a few. Furthermore, if the Legislature cannot secure a vote on various

transportation-related and healthcare tax increases in the special session, there is a possibility that these too could circulate and go on the 2016 ballot.

Marijuana Regulation Implementation and Clean-Up Legislation - With the passage of the three marijuana regulation bills, much work is needed to be done on the local level regarding the adoption of local ordinances around licensing and cultivation. However, due to a last minute oversight, problematic language was not removed from one of the bills that were signed into law which would have required counties to have final land use regulations pertaining to cultivation adopted by March 1, 2016. In a letter to the journal and a promise to stakeholders, Assembly Leadership introduced emergency legislation at the beginning of session, AB 21 (Bonta). The County is currently supporting this bill, and will be actively monitoring the plethora of bills put forth to clean-up last year's reform.

Advancing and Defending Our Clients' Interests in 2015

JEA & Associates has proudly represented Monterey County and its interests before the California Legislature, the Governor's Administration and numerous regulatory bodies for the last 18 years. The County has expected and received proactive information reporting; clear and concise analysis and reports on the Governor's budget and related legislation; developed and maintained strong and effective relationships with advocacy organizations and coalitions, key members of the Administration, as well as key policy and decision makers in the Legislature.

Each year, JEA & Associates works closely with the County to assist in developing and framing your legislative priorities and then allocates JEA's resources to advance and defend those priorities. Through timely legislative bill tracks, JEA & Associates helps Monterey County informed on vital policy and political happenings, in addition to providing critical feedback and strategy on developments as they occur. JEA & Associates' Capitol Weekly Report provides current stories and analysis on legislation, hot issues, budget plays and key staff moves.

Throughout this year's legislative session, we closely watched a multitude of bills ranging from to expanding scope of practice in local health centers to regulating the groundwater process; drafted and delivered position letters; participated in a wide-range of meetings with regulatory agencies, legislators, their staff and stakeholders; and conveyed the County's position on bills in key policy and fiscal committees.

Despite the state's lingering fiscal, policy and political challenges in 2015, JEA & Associates is proud to have helped Monterey County understand and navigate the legislative and budget process. In those cases where specific issues or legislation loomed large on the County's priorities, we did our utmost to meet your expectations and achieve your outcome.